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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To protect borrowers of Federal student loans during the transition period following the end of the COVID-19 student loan repayment pause, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. BONAMICI introduced the following bill; which was referred to the Committee on _____

A BILL

To protect borrowers of Federal student loans during the transition period following the end of the COVID-19 student loan repayment pause, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Student Loan Bor-
5 rower Safety Net Act of 2021”.

1 **SEC. 2. EXTENSION OF APPLICATION AND RECERTIFI-**
2 **CATION DEADLINE.**

3 (a) IN GENERAL.—Section 3513 of the CARES Act
4 (20 U.S.C. 1001 note) is amended—

5 (1) by amending subsection (g) to read as fol-
6 lows:

7 “(g) NOTICE TO BORROWERS OF COVERED LOANS
8 RELATING TO TRANSITION PERIOD.—Not later than the
9 date that is 60 days prior to the first day on which a bor-
10 rower’s payment obligations on a covered loan are no
11 longer suspended, as determined by the Secretary, the
12 Secretary shall carry out a program to provide not less
13 than 6 notices by postal mail, telephone, or electronic com-
14 munication to such a borrower indicating—

15 “(1) when the borrower’s normal payment obli-
16 gations will resume;

17 “(2) that the borrower may be eligible to enroll
18 in income-driven repayment, including a brief de-
19 scription of available income-driven repayment op-
20 tions; and

21 “(3) the options, including a brief description of
22 the benefits and consequences of these options, to
23 rehabilitate or consolidate the loans of a borrower
24 who is in default.”; and

25 (2) by adding at the end the following:

26 “(h) PRIORITY NOTIFICATION.—

1 “(1) IN GENERAL.—In carrying out subsection
2 (g), the Secretary shall give priority in accordance
3 with paragraph (2) to notifying borrowers who—

4 “(A) during the 5-year period preceding
5 March 31, 2020, missed a payment or pay-
6 ments for a period of not less than 60 days
7 with respect to a covered loan;

8 “(B) in the 5 years preceding March 31,
9 2020—

10 “(i) missed a payment in the first 3
11 months of entering repayment with respect
12 to such a covered loan;

13 “(ii) entered into a non-administrative
14 forbearance or a economic hardship
15 deferment with respect to such a covered
16 loan—

17 “(I) on 2 or more occasions; or

18 “(II) for a period of longer than
19 1 year;

20 “(iii) were enrolled and subsequently
21 unenrolled, or changed to less-than- half-
22 time enrollment status, more than twice
23 after entering repayment with respect to
24 such a covered loan;

1 “(iv) defaulted on such a covered
2 loan; or

3 “(v) on 3 or more occasions, missed
4 two or more consecutive payments with re-
5 spect to such a covered loan.

6 “(2) PRIORITY.—In carrying out paragraph (1),
7 the Secretary shall—

8 “(A) notify borrowers described in such
9 paragraph of the information specified in sub-
10 section (g) through at least 3 additional and
11 subsequent notifications after the initial notifi-
12 cation; or

13 “(B) carry out other evidence-based out-
14 reach activities that are designed to assist
15 struggling borrowers or borrowers who were
16 otherwise at risk for default before the COVID-
17 19 pandemic, and report to Congress on such
18 activities.

19 “(i) APPLICATION OR RECERTIFICATION.—

20 “(1) IN GENERAL.—A borrower of a covered
21 loan may—

22 “(A) during the period beginning on the
23 date of enactment of the Student Loan Bor-
24 rower Safety Net Act of 2021, and ending on
25 the date that is one year after the first day on

1 which a borrower’s payment obligations on such
2 loan are no longer suspended, submit a written,
3 verbal, or electronic application or reapplication
4 for an income-contingent or income-based re-
5 payment plan with respect to such loan; and

6 “(B) under an application described in
7 subparagraph (A), self-certify the income and
8 family size of such borrower.

9 “(2) CHANGE OF REPAYMENT PLANS.—With
10 respect to a covered loan, in the case of a borrower
11 of such a loan who opts to change the repayment
12 plan in which such borrower was enrolled on the
13 date of the enactment of this section, no fee or pay-
14 ment shall be required during the period in which it
15 takes such borrower to become enrolled in such re-
16 payment plan.

17 “(3) ECONOMIC HARDSHIP.—

18 “(A) IN GENERAL.—A borrower of a cov-
19 ered loan who, due to an economic hardship, is
20 unable to make payments with respect to such
21 loan on or after the first day on which the bor-
22 rower’s payment obligations on such loan are no
23 longer suspended, may apply to the Secretary
24 for an economic hardship deferment for the pe-
25 riod beginning on the date of enactment of the

1 Student Loan Borrower Safety Net Act of 2021
2 and ending on the date that is one year after
3 the first day on which the borrower's payment
4 obligations on such loan are no longer sus-
5 pended. To apply for such a deferment, a bor-
6 rower shall submit a written, verbal, or elec-
7 tronic certification of such economic hardship to
8 the Secretary.

9 “(B) NOTIFICATION.—The Secretary and
10 any other servicer of a covered loan shall notify
11 borrowers who miss a payment on such a loan
12 of the availability of—

13 “(i) income-based and income-conti-
14 nent repayment plans available in accord-
15 ance with paragraph (1); and

16 “(ii) an economic hardship deferment
17 under this paragraph.

18 “(C) TREATMENT OF BORROWER WITH
19 ECONOMIC HARDSHIP.—In the case of a bor-
20 rower who submits certification of an economic
21 hardship under subparagraph (A), the Sec-
22 retary shall treat such borrower in the same
23 manner as a borrower with an economic hard-
24 ship under section 435(o) of the Higher Edu-
25 cation Act of 1965 (20 U.S.C. 1085(o)).

1 “(j) MISSED PAYMENTS.—In the case of a borrower
2 of a covered loan who misses a payment or payments on
3 such a loan for the 60-day period beginning on the first
4 day on which the borrower’s payment obligations on such
5 loan are no longer suspended, the Secretary or the holder
6 of a loan described in subsection (k)(2) shall—

7 “(1) hold such loan in administrative forbear-
8 ance for a 90-day period beginning on the date that
9 is 60 days after the first day on which the bor-
10 rower’s payment obligations on such loan are no
11 longer suspended; and

12 “(2) contact such borrower on at least 6 sepa-
13 rate occasions regarding the information included in
14 subsection (g).

15 “(k) COVERED LOAN.—In this section, the term ‘cov-
16 ered loan’ means—

17 “(1) a loan described in subsection (a); or

18 “(2) a loan—

19 “(A) made, insured, or guaranteed under
20 part B of title IV of the Higher Education Act
21 of 1965 (20 U.S.C. 1071 et seq.); and

22 “(B) for which payments were sus-
23 pended—

24 “(i) pursuant to the Higher Education
25 Relief Opportunities for Students Act of

1 2003 (Public Law 108–76; 20 U.S.C. 1070
2 note); and
3 “(ii) during a qualifying emergency.”.